

House Study Bill 785

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY
CHAIRPERSON SHOMSHOR)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a sales tax exemption for school supplies
2 purchased by a nonprofit organization that are to be donated
3 to students at certain educational institutions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6381HC 82
6 ak/nh/14

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1 1 Section 1. Section 423.3, Code Supplement 2007, is amended
1 2 by adding the following new subsection:
1 3 NEW SUBSECTION. 17A. The sales price from the sale of
1 4 general school supplies to a nonprofit organization which is
1 5 exempt from federal income taxation pursuant to section 501 of
1 6 the Internal Revenue Code and has an agreement with one or
1 7 more educational institutions in this state to donate the
1 8 supplies to students enrolled at the educational institution.
1 9 EXPLANATION
1 10 This bill provides a sales and use tax exemption for the
1 11 purchase of general school supplies by a nonprofit
1 12 organization if two conditions are met: the nonprofit
1 13 organization is exempt from federal income taxation pursuant
1 14 to section 501 of the Internal Revenue Code and the nonprofit
1 15 organization has an agreement with at least one educational
1 16 institution in the state to donate the supplies to students
1 17 enrolled in the educational institution.
1 18 LSB 6381HC 82
1 19 ak/nh/14